

Letter From Chief Financial Officer (to Demonstrate Assurance of Closure or Postclosure Care)

Director
Division of Waste Management
Department for Environmental Protection
Energy and Environment Cabinet Frankfort, Kentucky
40601

Dear Director:

I am the chief financial officer of *(name and address of firm)*

This letter is in support of this firm's use of the financial test to demonstrate financial assurance for closure for closure and/or postclosure costs, as specified in 401 KAR 34:080 through 34:130 and 401 KAR 35:080 through 35:130.

(Fill out the following five (5) paragraphs and schedules regarding facilities and associated cost estimates. If your firm has no facilities that belong in a particular paragraph, write "None" on the appropriate schedule. For each facility, include its EPA Identification Number, name, address, and current closure and/or postclosure cost estimates. Identify each cost estimate as to whether it is for closure or postclosure care.)

1. This firm is the owner or operator of the following facilities in Kentucky for which financial assurance for closure or postclosure care is demonstrated through the financial test specified in 401 KAR 34:080 through 34:130 and 401 KAR 35:080 through 35:130. The current closure or postclosure cost estimates covered by this test are shown for each facility in Schedule 1 which is attached.

2. This firm guarantees, through the corporate guarantee specified in 401 KAR 34:080 through 34:130 and 401 KAR 35:080 through 35:130, the closure or postclosure care of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or postclosure care so guaranteed are shown for each facility in Schedule 2 which is attached. The firm identified above is *(delete all that do not apply)* (1) the direct or higher-tier parent corporation of the owner or operator, (2) owned by the same parent corporation as the parent corporation of the owner or operator, and receiving the follow-

ing value in consideration of this guarantee: _____, (3) engaged in a "substantial business relationship", as defined in 401 KAR 34:080 and 35:080, with the owner or operator, and receiving the following value in consid-

eration of this guarantee: _____ *(Attach a written description of the business relationship or a copy of the contract establishing such relationship to this letter.)*

3. In states other than Kentucky, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or postclosure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in 401 KAR 34:080 through 34:130 and 401 KAR 35:080 through 35:130. The current closure or postclosure cost estimates covered by such a test are shown for each facility in Schedule 3 which is attached.

4. This firm is the owner or operator of the following hazardous waste sites or facilities for which financial assurance for closure or, if a disposal facility, postclosure care, is not demonstrated either to EPA, Kentucky or any state through the financial test or any other financial assurance mechanism specified in 401 KAR 34:080 through 34:130 or 401 KAR 35:080 through 35:130 or equivalent or substantially equivalent state or EPA mechanisms. The current closure and/or postclosure cost estimates not covered by such financial assurance are shown for each facility in Schedule 4 which is attached.

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates as required by 40 CFR 144.62 and 401 KAR 3 5:270 are shown for each facility in Schedule 5 which is attached.

This firm _____ to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest
(insert "is required"
or "is not required")
fiscal year. The fiscal year of this firm ends on _____ .
(month, day)

The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended _____ .
(month, day, year)

(Fill in Alternative I if the criteria of Section 8(1)(a) of 401 KAR 34:090 or Section 8(1)(a) of 401 KAR 34:100 or Section 7(1)(a) of 401 KAR 35:090 or Section 7(1)(a) of 401 KAR 35:100 are used. Fill in alternative II if the criteria of Section 8(1)(b) of 401 KAR 34:090 or Section 8(1)(b) of 401 KAR 34:100 or Section 7(1)(b) of 401 KAR 35:090 or Section 7(1)(b) of 401 KAR 35:100 are used.)

Alternative I

1. Sum of current closure and postclosure cost estimates (total of all cost estimates shown in the five (5) schedules attached) \$ _____

*2. Total liabilities (if any portion of the closure or postclosure cost estimates is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4)

\$ _____

*3. Tangible net worth \$ _____

*4. Net worth \$ _____

*5. Current assets \$ _____

*6. Current liabilities \$ _____

7. Net working capital (line 5 minus line 6) \$ _____

*8. The sum of net income plus depreciation, depletion, and amortization \$ _____

*9. Total assets in United States (required only if less than ninety (90) percent of assets are located in United States.)
\$ _____

(Answer yes or no to the following questions.)

10. Is line 3 at least \$10 million? _____

11. Is line 3 at least six (6) times line 1? _____

12. Is line 7 at least six (6) times line 1? _____

13. Are at least ninety (90) percent of assets located in the United States? If not complete line 14. _____

14. Is line 9 at least six (6) times line 1? _____

15. Is line 2 divided by line 4 less than 2.0? _____

16. Is line 8 divided by line 2 greater than 0.1? _____
17. Is line 5 divided by line 6 greater than 1.5? _____

Alternative II

1. Sum of current closure and postclosure cost estimates (*total of all cost estimates shown in the five (5) schedules attached*) \$ _____
2. Current bond rating of most recent issuance of this firm and name of rating service _____
3. Date of issuance of bond _____
4. Date of maturity of bond _____
- *5. Tangible net worth (*if any portion of the closure and postclosure cost estimates is included in "total liabilities" on your firm's financial statements, you may add the amount of that portion to this line*)
\$ _____
- *6. Total assets in the United States (*required only if less than ninety (90) percent of firm's assets are located in the United States.*) \$ _____
7. Is line 5 at least \$10 million? _____
8. Is line 5 at least six (6) times line 1? _____
- *9. Are at least ninety (90) percent of firm's assets located in the United States? If not complete line 10.

10. Is line 6 at least six (6) times line 1? _____

I hereby certify that the wording of this letter is identical to the wording specified in 401 KAR 34:080 as such regulations were constituted on the date shown immediately below.

(Signature)

(Name, typed)

(Title, typed)

(Date)

DEP-6035F, effective 2/10/94

(Note: Attach (1) a copy of the independent CPA's report on examination of the year-end financial statements and (2) the special report from the independent CPA to the owner/operator stating that he has compared the data in this letter to the year-end financial statements and, he has no reason to adjust the data. See 401 KAR 34:090 Section 8(3)(b)&(c); 401 KAR 34:100 Section 8(3)(b)&(c); 401 KAR 35:090 Section 7(3)(b)&(c) and 401 KAR 35:100 Section 7(3)(b)&(c).)

(Note: Use of this form is required by 401 KAR 34:080.)